

Program B: Financial Accountability and Control

Program Authorization: La. Constitution, Article III, Sec. 16 and Article IV, Section 9; R.S. 36:765-766; R.S. 39:82; R.S. 49:307 and 327

PROGRAM DESCRIPTION

The mission of the Financial Accountability and Control Program is to provide the highest quality accounting and fiscal reporting controls of all monies deposited in the Treasury; to assure that monies on deposit in the Treasury are disbursed out of the Treasury in accordance with constitutional and statutory law for the benefit of the citizens of the State of Louisiana; and to provide for the internal management and finance functions of the Treasury. The accomplishment of this mission involves:

- Keeping a true, just and comprehensive account of all public money received and disbursed. The Treasury is responsible for establishing the fund structure in the state's accounting system according to constitutional and statutory provisions and for approving accounting structure that provides a means for classification of revenues into the funds.
- Keeping an account of all investments and related investment income. The Treasury tracks all cash transactions for sales and purchases to ensure that all investment activity is accounted for.
- Disbursing public money in accordance with appropriations and laws and performing procedures to ensure monies are disbursed out of the treasury pursuant to a specific appropriation. The Treasury reviews appropriation structure for input of the state's budget into the state's accounting system to ensure monies are drawn out of the treasury pursuant to law.

The goals of the Financial Accountability and Control Program are: to provide an accurate accounting and reconciliation of public monies on deposit in the treasury; and to control disbursement of these monies on deposit in the treasury in a manner that ensures disbursements are made in accordance with the laws of the State of Louisiana.

In numerical terms, the state treasurer receives over 6 million deposit items included in over 85,500 deposits per year, totaling over \$15.7 billion. In turn, the state treasurer releases over 401,000 checks to pay vendors through the Advantage Financial System and monitors agency bank accounts, which issue over 6.1 million checks for various programs. Additionally, the Financial Accountability and Control Program also distributes over \$230 million to local governments under the authority of 14 distribution programs.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To ensure that all department programs are provided support services to accomplish 100% of their objectives by June 30, 2002.

Strategic Link: This operational objective represents the basic support functions of the department as outlined in Louisiana Revised Statutes 36:765-766 and as described in the Authority Section of the Financial Accountability and Control Program's strategic plan. This operational objective defines the relationship between administrative and support services within the department.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: This operational objective directly relates to the administrative and support service programs within the Financial Accountability and Control Program.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		YEAREND PERFORMANCE STANDARD	ACTUAL YEAREND PERFORMANCE	ACT 11 PERFORMANCE STANDARD	EXISTING PERFORMANCE STANDARD	AT CONTINUATION BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002
K	Percentage of department objectives not accomplished due to insufficient support services	0%	0%	0%	0%	0%
K	Number of repeat audit findings related to support services reported by the legislative auditor	0	0	0	0	0

2. (KEY) To convert the state's central banking system as a result of a Request for Proposals (RFP) for banking services no later than June 30, 2002.

Strategic Link: This operational objective is a component of the Financial Accountability and Control Strategic Goal I: *The Financial Accountability and Control Program will provide an accurate accounting and reconciliation of public funds on deposit in the treasury and will control disbursement of those monies that ensures disbursements are made in accordance with Article III, Section 16 and Article IV, Section 9 of the Louisiana Constitution of 1974.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The objective reflects a key component in the state's cash management program to optimize investment opportunities of the state's cash resources.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of completion of the conversion of the state's centralized banking system by December 31, 2001	Not applicable ¹	Not applicable ¹	Not applicable ¹	Not applicable ¹	100%	100%

¹ This is a new performance indicator for FY 2001-2002. It did not appear under Act 10 of 1999 or Act 11 of 2000 and does not have FY 1999-2000 or FY 2000-2001 performance standards. The conversion of the state's centralized banking system will not commence until July 1, 2001. Therefore there is no existing performance standard or yearend estimate for FY 2000-2001.

GENERAL PERFORMANCE INFORMATION: FINANCIAL ACCOUNTABILITY AND CONTROL

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Number of special funds in the State Treasury	232	235	293	325	320
Number of deposit items processed through the central depository bank account	5,104,765	5,472,872	5,501,965	5,920,589	6,132,893
Average number of days to perform central depository bank account monthly reconciliation	Not available	75	50	35	20

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$448,097	\$441,880	\$441,880	\$779,362	\$766,174	\$324,294
STATE GENERAL FUND BY:						
Interagency Transfers	950,226	955,063	955,063	1,162,117	1,162,117	207,054
Fees & Self-gen. Revenues	564,703	699,601	699,601	377,599	378,419	(321,182)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	1,000	1,000	1,000	1,000	0
TOTAL MEANS OF FINANCING	\$1,963,026	\$2,097,544	\$2,097,544	\$2,320,078	\$2,307,710	\$210,166
EXPENDITURES & REQUEST:						
Salaries	\$736,602	\$724,283	\$724,283	\$746,540	\$793,742	\$69,459
Other Compensation	5,144	6,000	6,000	6,000	6,000	0
Related Benefits	152,791	132,273	132,273	135,532	135,532	3,259
Total Operating Expenses	86,262	52,794	52,794	53,850	34,834	(17,960)
Professional Services	18,641	5,000	5,000	5,000	5,000	0
Total Other Charges	939,623	1,094,643	1,094,643	1,352,456	1,332,602	237,959
Total Acq. & Major Repairs	23,963	82,551	82,551	20,700	0	(82,551)
TOTAL EXPENDITURES AND REQUEST	\$1,963,026	\$2,097,544	\$2,097,544	\$2,320,078	\$2,307,710	\$210,166
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	18	18	18	18	18	0
Unclassified	0	0	0	0	0	0
TOTAL	18	18	18	18	18	0

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Fees and Self-generated Revenue, and Federal Funds. The Interagency Transfers are derived from various state agencies for the cost of central depository bank services. Fees and Self-generated Revenue are derived from implementation of the securities lending program. The Federal Funds are derived from the audit cost of federal programs.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$441,880	\$2,097,544	18	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$441,880	\$2,097,544	18	EXISTING OPERATING BUDGET – December 15, 2000
\$7,944	\$7,944	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$17,572	\$17,572	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	(\$82,551)	0	Non-Recurring Acquisitions & Major Repairs
\$1,839	\$1,839	0	Legislative Auditor Fees
\$304	\$304	0	UPS Fees
\$47,202	\$47,202	0	Salary Base Adjustment
\$0	\$820	0	Civil Service Fees
(\$20,674)	(\$20,674)	0	Other Adjustments - Reduction of Other Charges to required levels
\$0	\$255,670	0	Other Adjustments - Increases for Centralized Banking Services charged to other State agencies
\$496,067	\$2,325,670	18	TOTAL RECOMMENDED

The total means of financing for this program is recommended at 110.0% of the existing operating budget. It represents 95.6% of the total request (\$2,415,067) for this program. At the recommended level of funding, this program should provide approximately the same levels of service. Increases in funding are primarily attributable to increased expenses associated with banking service costs.

PROFESSIONAL SERVICES

\$5,000 Computer network maintenance

\$5,000 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$20,906 Legislative Auditor Fees

\$1,281,038 Central Depository Bank Fees

\$1,301,944 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$2,043 Civil Service Fees

\$18,985 Legal services provided by the Department of Justice

\$9,630 La. Tech for Population Census

\$30,658 SUB-TOTAL INTERAGENCY TRANSFERS

\$1,332,602 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001 -2002